

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



. A 280.3449
C 39
cap 2

U. S. DEPARTMENT OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
JUNE 1970

AUG 5 1970

CHATTANOOGA SERIAL Number 11

Volume 14

Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY JUNE 1970

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.20 and Excess Milk \$4.61. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 32 cents and 22 cents respectively above June 1969.

In June 1970, 68.0% of the producer milk received by pool plants was priced in Class I at \$6.73 per cwt. and 32.0% was priced in Class II at \$4.61 per cwt. The June butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received during June 1970 was 30,461,143 pounds which is an increase of 8,580,593 pounds or 39.2% compared with June 1969. Deliveries of producer Base milk exceeded producer milk used in Class I by 7,004,167 pounds or percentagewise only 74.7% of Base milk was used in Class I. The June daily average deliveries from 739 producers was 1374 pounds. This compares to 605 farms delivering a daily average of 1,206 pounds per day during June 1969.

USDA RECOMMENDS AMENDING NASHVILLE MILK ORDER

The United States Department of Agriculture has recommended amending the Nashville federal milk marketing order to change some milk diversion, pricing and payment provisions. The recommended decision was based on a public hearing held May 6, 1970 at Nashville.

The recommended decision would:

- (1) Permit diversion of milk to another federal order market for Class II (manufacturing) use only.
- (2) Modify the base-excess producer payment plan concerning bases for producers supplying milk to a plant which has shifted from another federal order market and become pooled under the Nashville order in base-paying months (March-July). Bases for these producers would be computed on their total deliveries to the other order market, instead of only on deliveries to the plant in question.
- (3) Apply the "excess milk" price during base-paying months to all milk received from a producer who became a producer under another order during part of the month.
- (4) Continue a Nashville pool plant in the Nashville pool up to three months after it starts selling more milk in another federal order market.
- (5) Allow handlers to omit the "partial" payment to producers who cease delivery of milk to the handler before the 20th of the month.

Copies of the recommended decision may be obtained from the Market Administrator of the Nashville Order. Exceptions or comments regarding the recommended decision may be filed up to July 21 with the Hearing Clerk, 112-A, USDA, Washington, D. C. 20250.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% June '70 over June '69	June 1970 21	May 1970 21	June 1969 17
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+39.2	1,015,371	1,074,142	729,352
Other Source	-15.8	28,821	28,174	34,235
Other Federal Orders	-62.3	108,811	156,591	288,764
TOTAL MILK RECEIPTS	+ 9.6	1,153,003	1,258,907	1,052,351
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+17.9	411,374	412,319	348,985
Skim - Regular	- 4.7	18,959	19,977	19,902
Skim - 2% Milk	+23.4	93,895	93,388	76,102
Buttermilk	+ 4.9	49,917	53,011	47,594
Flavored Milk and Drink	- 0.7	17,995	17,757	18,114
Creams (Sweet and Sour)	+ 8.2	3,336	3,229	3,083
Sub-Total - Pkg. Prod. (Pool Plants)	+15.9	595,476	599,681	513,780
Other (Shrinkage, Inventory, etc.)		6,512	5,698	4,081
Sales to Non-Pool Plants		99,825	113,458	125,015
In-Area Sales by Non-Pool Plants	- 7.1	50,657	49,724	54,501
TOTAL CLASS I MILK	+ 7.9	752,470	768,561	697,377
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+20.1	69,608	59,356	57,965
Cottage Cheese	+16.9	49,288	45,892	42,145
Powdered and Condensed Milk		10,199	50,677	76,239
Livestock Feed and Skim Dumped		7,850	7,045	4,696
Sub-Total - Used to Produce	-24.4	136,945	162,970	181,045
Shrinkage Class II		14,501	14,576	14,703
Other (Inventory Variation, etc.)		(18,562)	9,575	19,199
Bulk Sales to Non-Pool Plants		267,649	303,225	140,027
TOTAL CLASS II MILK	+12.8	400,533	490,346	354,974
Class I Pkg. Lbs. in Area - Pool Plants	+ 8.3	450,003	471,346	415,499
Class I Pkg. Lbs. Out of Area - Pool Plants	+48.0	145,473	128,335	98,281
Class I Pkg. Lbs. in Area - Non-Pool Plants	- 7.1	50,657	49,724	54,501
% Producer Milk of Gross Class I		134.9	139.8	104.6
% Producer Milk Priced in Class I		68.0	65.9	70.3

CLASS I DISPOSITION ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	June 1970	May 1970	June 1969
Homo Milk	1,173,012	1,242,882	1,299,098
Skim - Regular	14,778	13,632	23,264
Skim - 2% Milk	165,097	118,715	93,470
Buttermilk	126,018	118,432	158,353
Flavored Milk & Drink	39,212	45,638	57,420
Creams (Sweet & Sour)	1,581	2,141	3,420
Total Pounds	1,519,698	1,541,440	1,635,025
Daily Average Disposition	50,657	49,724	54,501
No. of partially regulated plants	2	2	1
No. of other order plants	13	13	10
Total non-pool plants	15	15	11

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

Page 3

June 1970	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		22,574,098	3.235		
Less Other Source		1,846,275	2.924		
Producer Milk Class I	68.0	20,727,823	3.262533	\$6.530528	\$1,353,636.28
Gross Class II		12,015,999	4.294		
Less Other Source		2,282,679	2.713		
Producer Milk Class II	32.0	9,733,320	4.665232	5.542186	539,438.70
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	30,461,143	3.710741		\$1,893,074.98
Less Fractional Adjustment					.13
Add Value of Overage					7,946.44
Add Value of Other Source Receipts					
Allocated to Class I		916			34.72
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					10,463.44
TOTAL VALUE AT TEST		30,462,059	3.710629	\$6.275083	\$1,911,519.45
Less Test over 3.5% @ 8.2¢ per point		30,462,059	.210629	0.172716	52,612.85
TOTAL UTILIZATION VALUE AT 3.5%		30,462,059	3.5	\$6.102367	1,858,906.60
Less Reserve per \$ 1090.71 (f)		30,462,059		.042367	
WEIGHTED AVERAGE PRICE - 3.5% TEST		30,462,059		\$6.06	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		916		6.06	55.51
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		30,461,143	3.5		\$1,858,851.09

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	30,461,143			\$1,858,851.09
Excess Producer Milk Used in Class I	-		-	
Excess Producer Milk Used in Class II	2,729,153	\$4.61	125,813.95	
UNIFORM EXCESS PRICE - 3.5% TEST	2,729,153	4.61		\$ 125,813.95
Total Value of Base Milk	27,731,990	6.249235		1,733,037.14
Less Producer-Settlement Fund Reserve	27,731,990	.049235		13,653.85
UNIFORM BASE PRICE - 3.5% TEST	27,731,990	\$6.20		\$1,719,383.29

JUNE 1970 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.79	\$4.20	4.0	\$6.61	\$5.02	5.0	\$7.43	\$5.84
3.05	5.831	4.241	4.05	6.651	5.061	5.05	7.471	5.881
3.1	5.872	4.282	4.1	6.692	5.102	5.1	7.512	5.922
3.15	5.913	4.323	4.15	6.733	5.143	5.15	7.553	5.963
3.2	5.954	4.364	4.2	6.774	5.184	5.2	7.594	6.004
3.25	5.995	4.405	4.25	6.815	5.225	5.25	7.635	6.045
3.3	6.036	4.446	4.3	6.856	5.266	5.3	7.676	6.086
3.35	6.077	4.487	4.35	6.897	5.307	5.35	7.717	6.127
3.4	6.118	4.528	4.4	6.938	5.348	5.4	7.758	6.168
3.45	6.159	4.569	4.45	6.979	5.389	5.45	7.799	6.209
3.5	6.20	4.61	4.5	7.02	5.43	5.5	7.84	6.25
3.55	6.241	4.651	4.55	7.061	5.471	5.55	7.881	6.291
3.6	6.282	4.692	4.6	7.102	5.512	5.6	7.922	6.332
3.65	6.323	4.733	4.65	7.143	5.553	5.65	7.963	6.373
3.7	6.364	4.774	4.7	7.184	5.594	5.7	8.004	6.414
3.75	6.405	4.815	4.75	7.225	5.635	5.75	8.045	6.455
3.8	6.446	4.856	4.8	7.266	5.676	5.8	8.086	6.496
3.85	6.487	4.897	4.85	7.307	5.717	5.85	8.127	6.537
3.9	6.528	4.938	4.9	7.348	5.758	5.9	8.168	6.578
3.95	6.569	4.979	4.95	7.389	5.799	5.95	8.209	6.619

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
June '69	\$5.73 2/	\$5.88	\$4.39	8.0¢	\$6.34	8.1¢	\$4.39	7.8¢
July	6.03 2/	6.20	4.41	8.0	6.50	8.1	4.41	7.8
Aug.	6.10	-	-	8.0	6.74	8.1	4.42	7.8
Sept.	6.29	-	-	8.0	6.85	8.1	4.49	8.0
Oct.	6.18	-	-	8.2	6.70	8.4	4.58	7.8
Nov.	6.01	-	-	8.0	6.47	8.2	4.62	7.8
Dec.	6.17	-	-	8.0	6.77	8.1	4.63	7.9
Jan. '70	6.29	-	-	8.0	6.78	8.2	4.67	7.8
Feb.	6.26	-	-	8.0	6.82	8.1	4.63	7.8
Mar.	6.15 2/	6.30	4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 2/	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 2/	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 2/	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	-	-	-	-	6.76	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi. 92	Chi. Area	Minn/Wisc	Basic	(Daily Average)			
	Butter	Powder	Mfg. Milk	Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
June '69	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88
July	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25
Aug.	67.80	23.01	4.42	4.33	559,555	3.30	212,789	4.82
Sept.	69.85	22.95	4.49	4.33	786,310	3.37	240,567	5.13
Oct.	68.23	22.93	4.58	4.33	796,489	3.41	237,254	5.66
Nov.	67.84	23.14	4.62	4.33	773,131	3.49	242,417	5.78
Dec.	68.45	22.96	4.63	4.33	736,616	3.46	284,057	5.76
Jan. '70	67.61	23.00	4.67	4.33	779,375	3.41	231,117	6.54
Feb.	67.60	23.15	4.63	4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm -----Pounds		
	Hdlers.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exec.
June '69	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118
July	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108
Aug.	19	1,170,556	761,915	620	772,344	-	3.72	1,246	-	-
Sept.	18	1,145,420	868,129	751	1,026,877	-	3.79	1,367	-	-
Oct.	19	1,154,387	869,889	756	1,033,743	-	3.93	1,367	-	-
Nov.	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-
Dec.	20	1,310,785	792,076	773	1,020,673	-	4.10	1,320	-	-
Jan. '70	20	1,241,790	834,648	752	1,010,492	-	4.12	1,344	-	-
Feb.	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I